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Sustainable development and international economic cooperation: Implementation of the commitment and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade

Implementation of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade

Report of the Secretary-General

Contents

		Paragraphs	Page
I.	Introduction	1-4	3
II.	Related conferences and summits	5-6	3
III.	Progress towards the goals and objectives of the Charter, the Declaration and the Strategy	7-76	4
	A. Economic growth	8-13	4
	B. Financial matters	14-23	5
	1. Foreign direct investment	17-19	5
	2. Debt	20-22	5
	3. Official development assistance	23	6

99-27391 (E) 141099

C. Trade 24-37 6
1. Trends in world trade 24-31 6
2. Commodities 32-33 7
3. Possible constraints to further liberalization 34-37 7
D. Science and technology; industry and agriculture 38-42 7
1. Science and technology 38-39 7
2. Industry 40 7
3. Agriculture 41-42 8
E. Human resources development 43-66 8
1. Education and literacy 43-51 8
2. Health 52-66 9
(a) Mortality of children under the age of five 53-57 9
(b) Maternal mortality 58-59 10
(c) Nutrition 60-62 10
(d) Safe drinking water and sanitation 63-66 11
F. Situation of the least developed countries 67-76 11
IV. Conclusions and looking to the next millennium 77-81 12

Tables

1. Growth of gross domestic product, 1981-1999 14
2. Developing countries' growth of per capita gross domestic product, 1981-1999 14
3. Net long-term resource flows to developing countries, 1980, 1990, 1995-1998 15
4. Developing country debt indicators, 1980, 1990, 1997 and 1998 15
5. Total Development Assistance Committee net official development assistance, 1990, 1995, 1997 and 1998 16
6. Trade within selected developing country trade groupings, 1990 and 1997 17
7. Growth of population and food production, 1981-1990 and 1991-1998 18
8. Primary school gross enrolment ratio, 1980, 1990, 1995 and 1996 19
9. Net primary school enrolment rates in developing countries, by region, 1990s 20
10. Secondary school gross enrolment ratio, 1980, 1990, 1995 and 1996 21
11. Adult illiteracy rate, 1980, 1990, 1995 and 1997 22
12. Mortality of children under the age of five, 1990-2000 23
13. Number and proportion of undernourished persons in developing countries, by region, 1990-1992 and 1994-1996 24

I. Introduction

1. The General Assembly, at its eighteenth special session, adopted resolution 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States. Article 34 of the Charter calls upon the General Assembly to undertake a systemic and comprehensive review of the implementation of the Charter every five years. The most recent such review was undertaken in 1994, taking into account a report submitted by the Secretary-General (A/49/179-E/1994/82).

2. The Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries was adopted by the General Assembly on 1 May 1990 (resolution S-18/3, annex). Later that year, the International Development Strategy for the Fourth United Nations Development Decade was adopted by the General Assembly on 21 December 1990 (resolution 45/199, annex). The successful implementation of the Declaration and the Strategy would make a major contribution to the fulfilment of the provisions of the Charter.

3. Reports on the progress achieved in implementing the Declaration and the Strategy were submitted to the General Assembly in 1992, 1994, 1996 and 1998 (A/47/397, A/47/270-E/1992/74, A/49/328, A/51/270 and A/53/301).

4. In its resolution 53/178 of 15 December 1998, the General Assembly requested the Secretary-General to submit to the Assembly for consideration at its fifty-fourth session an analytical report containing a thorough evaluation of the implementation of the commitments and policies agreed upon in the Declaration and of the implementation of the International Development Strategy, including the progress made and the constraints encountered therein. The present report has been prepared in response to that request and to the need for a quinquennial review of the Charter of Economic Rights and Duties of States.

II. Related conferences and summits

5. A number of the goals and objectives identified in the Declaration and the Strategy had already been agreed at international conferences that took place before these documents were adopted.[1] Other areas were addressed in subsequent United Nations global conferences and summit meetings.[2] The Agenda for Development, adopted by the General Assembly on 20 June 1997 in the annex to resolution 51/240, built upon the agreements reached in the foregoing United Nations conferences. The Agenda not only addresses economic growth, trade, finance, science and technology, poverty eradication, employment and human resources development, but also emphasizes the role of democracy, human rights, popular participation, good governance and the empowerment of women in the development process. It represents a major step in articulating an international consensus concerning the goals and requirements for socio-economic development and provides an all-encompassing framework for international cooperation on development.

6. Assessments of the progress made towards the goals established by the global conferences are done in the context of the review of special events. These follow-up meetings and the assessments prepared for them include the special session of the General Assembly for the review and appraisal of Agenda 21 (E/CN.17/1997/2), the special session for the review and appraisal of the implementation of the Programme of Action of the International Conference on Population and Development (E/CN.9/1999/PC/2, A/S-21/5/Add.1, E/CN.5/1999/4 and A/AC.253/7), a special session (in 2000) on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives and a high-level review of progress achieved in implementing the Beijing Platform for Action adopted by the Fourth World Conference on Women. The World Education Forum, to be held in Senegal in April 2000, will review the findings of the Education for All 2000 assessment exercise, which is being carried out jointly by the United Nations Educational, Scientific and Cultural Organization, the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the World Bank in response to General Assembly resolution 52/84 (see A/54/128-E/1999/70). In 2001, in accordance with General Assembly resolution 51/186, a special session of the General Assembly will be convened to review the achievement of the goals of the World Summit for Children. Progress on the implementation of the World Declaration and Plan of Action from the World Summit for Children was reviewed in a report of the Secretary-General to the General Assembly (A/53/186) and a progress report on follow-up to the World Summit for Children (E/ICEF/1999/9) was submitted to the UNICEF Executive Board and the Economic and Social Council. These assessments and progress reports should be viewed as an integral part of the overall evaluation of the implementation of the Charter, the Declaration and the Strategy.

III. Progress towards the goals and objectives of the Charter, the Declaration and the Strategy

7. According to paragraph 12 of the Declaration, the most important challenge for the 1990s is the revitalization of economic growth and social development in the developing countries, which calls for sustained growth of the world economy and favourable external condition. The Strategy (in para. 17) incorporated many of the principles of the Declaration, aiming to ensure that the 1990s are a decade of accelerated development in the developing countries and strengthened international cooperation and it further specified that sustained growth at a rate of the order of 7 per cent would provide the necessary conditions for genuine economic transformation. In paragraph 14, it singled out six inter-related goals.

(a) A surge in the pace of economic growth in the developing countries;

(b) A development process that is responsive to social needs, seeks a significant reduction in extreme poverty reduction, promotes the development and utilization of human resources and skills and is environmentally sound and stable;

(c) An improvement of the international systems of money, finance and trade so as to support the development process;

(d) A setting of strength and stability in the world economy and sound macroeconomic management, nationally and internationally;

(e) A decisive strengthening of international development cooperation;

(f) A special effort to deal with the problems of the least developed countries, the weakest among the developing countries.

A. Economic growth

8. Key objectives of economic policy, as articulated in paragraph 14 of the Strategy, are long-run growth and short-run stabilization. In keeping with this goal, there was a revitalization of growth in Latin America and Western Asia in the 1990s. The average rate of growth for developing countries as a whole rose to 5 per cent from 1991 to 1997, which was below the 7 per cent target, but considerably better than in the 1980s (see table 1). Moreover, at least until the middle of the Decade, there was also less dispersion in growth rates, with far more countries doing reasonably well (rather than East Asian economies simply pulling up the average). In the 1980s, 63 countries saw their gross domestic product (GDP) per capita decline, whereas in the 1991-1997 period, the corresponding number was 38.

9. Few countries have grown consistently well over the period since 1980. Some economies have performed satisfactorily for short periods only to have growth collapse later on. Some reversals can be attributed to poor internal policies or to policy shifts. Some setbacks, on the other hand, have been triggered exogenously, as in the case of 1997-1998 for a number of countries. Although Indonesia, the Republic of Korea and Thailand were among the "top" performers in 1981-1990, and were doing well for much of the present Decade, their economies slowed dramatically in the wake of the Asian financial crisis.

10. The world economy has stalled in the past two years or so, in the aftermath of the Asian financial crisis. The rate of expansion of world output dropped to less than 2 per cent in 1998 (see table 1). From the perspective of the developing economies, the situation is graver still. Growth of GDP dropped markedly in 1998 and will barely revive by the end of the Decade. The present Decade, like the previous one, has seen a per capita output contraction in the least developed countries. During the 1990s, output per capita has fallen on average by almost one per cent annually in Africa (see table 2). This outcome has been partially attributable to the numerous conflicts which have plagued the region. GDP growth for sub-Saharan Africa as a whole in 1998 stood at 3.1 per cent; excluding the war-torn countries, the growth rate is almost a percentage point higher.

11. The problem, however, lies not in growth rates per se, but rather in the goals which are thwarted and the objectives which are jeopardized as a result of reduced output expansion. Diminished circumstances make themselves felt on a variety of fronts and imperil many of the goals and objectives of the Declaration and the Strategy, including a reduction in the gap between rich and poor countries, the eradication of poverty and hunger and enhancing human resources and institutional development (see resolution 45/199, annex, paras. 13 and 15). Evidence suggests, however, that the absolute difference in per capita income between the richest and poorest countries has increased during the 1990s. According to one study, the disparity in income between the top fifth and the bottom fifth of the world's population has increased from 60:1 to 74:1 in the past decade.[3]

12. The social crisis is being driven by reductions in public spending on essential services, such as education and health

care, as well as by the fall in incomes, as people are laid off and wages drop. Over the short run, hunger and malnutrition are on the rise and children are being obliged to leave school. In the longer run, declining health and malnutrition will impact on workers' productivity, thus reducing future growth and delaying a full recovery. In short, progress in poverty reduction has experienced a setback, owing to the Asian financial crisis and its subsequent spread to Brazil, the Russian Federation and other emerging markets.

13. One estimate of the impact of the Asian financial crisis on households in Indonesia, Thailand and the urban areas of the Republic of Korea showed dramatic declines in the average standard of living between 1997 and 1998, by roughly 24, 14 and 22 per cent, respectively.[4] In other regions, including South Asia and Latin America and the Caribbean, the picture is more mixed, but nonetheless there are worrisome trends. One of the critical priorities at the current time is to avert further long-run welfare losses for the poor, who suffer the brunt of the impact in such crises.

B. Financial matters

14. In the Strategy, it was pointed out that adequate resources, both domestic and external, were a precondition for the reactivation of development; it was noted (in para. 37) that the 1980s did not favour the flow of external resources to developing countries and called for that trend to be reversed in the 1990s.

15. For the developing countries as a group, international financial developments in the 1990s were broadly favourable until the eruption of the Asian financial crisis. One broad overall indicator of the improved situation was that the net transfer of financial resources to developing countries went from negative throughout the 1980s to positive each year from 1990 until 1997. It then turned sharply negative in 1998.

16. Net long-term resource flows to developing countries increased from about $101 billion in 1990 to about $275 billion in 1998 (see table 3). However, this latter figure represents a decline of almost one fifth from the comparable 1997 total of $338 billion. The end of the present decade has thus seen a swift turnaround. International capital flows to all but a small number of countries have been reduced. As a result, from July 1997 onwards, developing countries' access to international capital was severely reduced, at least in the near term.

1. Foreign direct investment

17. The Strategy, in paragraph 43, envisaged foreign direct investment playing an increasingly important role as a source of development finance in the 1990s. Since the early 1990s, developing countries' share of global flows of FDI has increased from under 15 per cent to over 35 per cent.[5] Nevertheless, FDI flows remain highly concentrated: In 1998, the top 10 recipients accounted for over 70 per cent of FDI flows to developing countries, while low-income countries accounted for less than 7 per cent of this total.[6]

18. Foreign direct investment flows into East and South Asia were most resilient, registering $65.4 billion in 1998, compared to $69 billion in 1997. Foreign direct investment to Latin America and the Caribbean dropped from $61.6 billion in 1997 to $57.9 billion in 1998.[7]

19. Governments, meanwhile, have intensified their efforts to attract foreign direct investment. Recent initiatives include the further opening of certain industries to foreign direct investment, as well as relaxing rules with respect to ownership, mode of entry and financing. At the regional level, the Association of Southeast Asian Nations (ASEAN) agreed, in October 1998, to establish the ASEAN investment area.[8]

2. Debt

20. The Strategy (in paras. 26-27) asserted the need for "an early and durable solution to the problems of external indebtedness" via measures to reduce the stock and service of debt or to provide debt relief for developing countries. Nevertheless, as of 1998, the debt-to-exports ratio for all developing countries was only marginally lower than it had been in 1990, while the ratio of debt to gross national product (GNP) had increased (see table 4). As a result, debt service obligations were as high as they had been at the start of the Decade. At the end of the 1990s, based on a variety of criteria, including debt to GNP, debt to exports and the present value of total debt service to GNP or exports, a number of countries are classified by the Bretton Woods institutions as "severely indebted".

21. However, many countries face ongoing debt-servicing problems even without falling into this classification. By the late 1990s, Asia replaced Latin America as the most indebted developing region.[9] Then, too, over the course of the decade there was a shift from public sector borrowing by private sector entities and, in Asia and Latin America, there was a shift from bank borrowing to bonds and portfolio flows. Finally, in the case of bank debt, there was a rapid spurt in short-term borrowing by some developing countries.

22. In contrast to the measures called for in paragraphs 29 and 30 of the Strategy, sub-Saharan Africa has not shown an improvement in debt to exports and GNP, nor in the debt service to exports ratio since 1990, despite various debt reduction efforts targeting those economies.[10]

3. Official development assistance

23. The Strategy (para. 40) noted that aid programmes of donor countries need to be substantially improved in the 1990s. As developed countries have struggled to control fiscal deficits and/or to contain growth in government spending, foreign aid had been one of the first items to be cut. As a result, global aid flows have declined since the start of the Decade. In 1998, official development assistance stood at $51.5 billion dollars, compared to 54.1 billion in 1990[11] (see table 5). Not only is aid declining, but a greater share of this spending is being devoted to the emergency relief dictated by wars and natural disasters, leaving less to be spent on long-run growth and poverty reduction. Only Denmark (0.97), the Netherlands (0.81), Norway (0.86) and Sweden (0.79) have achieved the target of 0.7 per cent of GDP specified in paragraph 40 of the Strategy. In the cases of Italy, Japan and the United States, the shares are 0.11, 0.22 and 0.09 per cent, respectively (although Japan has for several years been by far the largest donor in absolute terms).[12]

C. Trade

1. Trends in world trade

24. The Strategy noted that the international trading system was the pillar of an interdependent world economy and that conditions of openness and fairness in the interests of all countries needed to be established. To this end, the Strategy called for a successful completion of the Uruguay Round of Multilateral Trade Negotiations as a manifestation of the commitment to halt and reverse protectionism. As part of this objective, the Strategy called for "the reduction and removal of tariff and non-tariff barriers".[13]

25. Many of these aspirations have been fulfilled over the course of the 1990s. The Uruguay Round was completed and developed and developing country trade-weighted average tariff rates fell from 6.3 to 3.9 and from 15.3 to 12.3 per cent, respectively, as a result.[14] In part owing to such tariff reductions, growth in the volume of world trade has almost consistently outpaced the growth of world output during the Decade.

26. Developing countries have become increasingly important actors in the global trading system. In 1990, for example, there were eight developing economies among the top 25 leading exporters in world merchandise trade;[15] by 1997, that number had increased to fifteen.[16]

27. However, the growth of world trade in volume terms dropped precipitously in 1998 in large part because of import contractions in a large number of economies. For the developing countries, import growth, in volume terms, of about 10 per cent in 1997 toppled to almost minus 5 per cent in 1998.[17] Virtually all developing countries contributed to this dive, which was particularly dramatic in Latin America (where import growth tumbled from 23 to 7 per cent) and South and East Asia (where imports volume contracted by roughly 13 per cent). The sharp contraction in Asia's ability to import intermediate goods was a factor in the region's dramatic dive in exports. East and South Asia's export volume growth dropped from over 9 per cent per year in 1997 to 0 in 1998.

28. Moreover, the value of world trade in dollars also fell in 1998. The fact that commodity prices, particularly oil prices, plunged during the year negatively affected the export earnings, and consequently the import demand, of many economies.[18] Africa's exports declined by 15 per cent in nominal terms in 1998, while the value of Western Asian merchandise exports contracted by roughly 25 per cent.[19]

29. The Strategy (para. 49) suggests that new efforts should be made during the 1990s to establish effective subregional and regional market arrangements among developing countries. Many developing countries have formalized such groupings and their membership in them and trade within such schemes has increased (see table 6).

30. Institutionalizing a trading scheme tends to deviate trade towards that scheme. The Southern Cone Common Market (MERCOSUR) and the Andean Group are cases in point. Larger groupings, both in terms of the number of members and the group's weight in total world trade, generally have larger intra-regional trade shares.[20] There is a sharp contrast between Asia and Latin America, on the one hand, and Africa, on the other. While numerous efforts have been undertaken, especially of late, to increase Africa's intratrade, this has not yet taken hold. Half of Africa's exports went to the European Union in 1997, with another 20 per cent going to the United States of America. Only 20 per cent were directed to other developing countries and only 6 per cent were intraregional.

31. The sub-Saharan African countries have relatively little to trade with each other. Nor does it appear that this "non-complementarity" problem can be resolved rapidly.

Moreover, such African intratrade as does take place is highly concentrated within subregional geographic groups, with almost no trade occurring between East and West Africa. This makes it less likely that expanding regional trade would constitute a "quick fix" in overcoming problems associated with the small size of domestic markets.

2. Commodities

32. The Strategy (para. 51) noted that depressed levels of commodity prices and earnings of developing countries from commodity exports were an important element in the slowing down of the development process in many developing countries in the 1980s and called for a better functioning of commodity markets with greater transparency and more stable and predictable conditions.

33. Non-fuel primary commodity prices, measured in dollars, continued to decline in 1998, as they have since mid-Decade. For the full year 1998, energy prices plunged by one third from 1997, while agricultural commodities, except vegetable oil seeds and oils, as well as metals and minerals, fell by 11 to 17 per cent in nominal terms.[21] These sharp declines are especially hard on many developing countries, since primary commodities, account for over one third of their export earnings (and even more in the case of low-income countries).

3. Possible constraints to further liberalization

34. Issues pertaining to agriculture and trade in textiles and apparel, which had previously been considered outside the rubric of the General Agreement on Tariffs and Trade (GATT), were taken up in the Uruguay Round. Under the agreement reached, developed countries were to cut tariffs by an average of 37 per cent over six years. Above-average cuts were to apply to oilseeds, flowers and plants and below-average cuts to sugar and dairy products. For tropical products, which comprise half the agricultural exports of developing countries, the average tariff reduction was to be 43 per cent.

35. The Multifibre Arrangement, which had long dominated trade in textiles and clothing, was abolished by the Uruguay Round, but with a minimum 10-year phase-out period, under which most of the measures to liberalize textile imports are slated for the next century, with 49 per cent scheduled for 31 December 2004.

36. The Uruguay Round concluded with a built-in agenda for future work, especially in the areas of agriculture and services. Agreements in such areas as telecommunications, financial services and information technology have since been concluded and some developed countries have proposed that a "Millennium Round" should address issues such as those foreseen in paragraph 50 of the Strategy, namely, labour standards, the environment and business ethics. Other Governments maintain that this would amount to overburdening the agenda with non-trade issues.[22]

37. Protectionist sentiments are mounting in a number of countries. For example, with the United States experiencing sustained import levels and sliding exports, demands for protection have been triggered in a variety of U.S. industries, including wheat, oil and steel. Efforts are also being revived to push exports. In late January 1999, two lapsed legal, but unilateral, tools, the Super 301 provision of the United States Omnibus Trade and Competitiveness Act of 1988 and Title VII, were reinstated by the United States Government as part of an effort to open foreign markets for U.S. exports, in sharp contrast to paragraph 47 of the Strategy.

D. Science and technology, industry and agriculture

1. Science and technology

38. The Strategy (paras. 56 and 57) noted that the reactivation of development in the 1990s would be linked to the ability of developing countries to participate in the rapid advances in science and technology. To this end, it was important, *inter alia*, to narrow the "knowledge gap" between developed and developing countries and to upgrade the skills of the work force. It was thus recommended (para. 60) that the international community should also review ways in which the intellectual property system can promote more effectively the economic and technological development of all countries. Further, it was suggested (in para. 61) that developing countries could help each other through the establishment of common institutions and centres for research and training.

39. Most of these objectives are extremely diffuse and difficult to measure. However, the Uruguay Round did address intellectual property issues, an area previously considered outside the rubric of the GATT, as part of the negotiations on trade-related intellectual property rights.[23]

2. Industry

40. The Strategy noted (in para. 63) that, especially for those countries where manufacturing had had a setback in the 1980s, historical experience suggested that the objective should be to raise the rate of industrialization, say, to 8 to 10 per cent. Only Cambodia, China, Indonesia, Lao People's Democratic Republic, Lesotho, Malaysia, Mozambique,

Myanmar, Nepal, Papua New Guinea, Singapore, Thailand, Uganda and Viet Nam had industrial growth rates within this band or higher over the period 1990-1997; Jordan and Panama, at 7.9 per cent per annum, fell just below.[24]

3. Agriculture

41. The Strategy (para. 70) noted that for many countries, agriculture, with its large contribution to the national economy, would remain the principal means for the revitalization of economic growth during the 1990s. As one component of improved agricultural production and productivity, the Strategy (para. 72) called for an annual rate of growth of the order of 4 per cent on average in food production. From 1991 through 1998, world food production grew at an annual average rate of 1.67 per cent, below both the 4 per cent goal and the 2.4 per cent average rate achieved in the 1980s (see table 7). Food production in sub-Saharan Africa and in the least developed countries grew at about the same rate as the world average (1.72 and 1.64 per cent, respectively), but their populations were growing at 2.9 and 2.5 per cent, so that food production per capita has been declining in those two groups of countries by about 1 per cent per year during the 1990s.

42. The success achieved in realizing some of the non-measurable objectives, such as enhancing the capabilities of agricultural research institutions, removing shortcomings in marketing, distribution and storage (the Strategy, para. 73), or establishing a strong network of rural credit and banking (the Strategy, para. 74) can be best gauged on a country-by-country basis.

E. Human Resources Development

1. Education and literacy

43. The Strategy (para. 88) incorporated a number of targets related to education and health that had been agreed at previous international conferences and stated that the goals for the decade of providing universal access to basic education and of the completion of primary education by at least 80 per cent of the school-age group had been internationally accepted. It stressed the importance of ensuring the speedy implementation of the World Declaration on Education for All, adopted by the World Conference on Education for All.[25]

44. With regard to goals and targets, the Framework for Action to Meet Basic Learning Needs (adopted by the World Conference on Education for All) stated that "countries may wish to set their own targets for the 1990s in terms of the following proposed dimensions: ... 2. Universal access to, and completion of, primary education (or whatever higher level of education is considered as "basic") by the year 2000; 3. Improvement in learning achievement such that an agreed percentage of an appropriate age cohort (e.g., 80 per cent of 14-year-olds) attains or surpasses a defined level of necessary learning achievement; 4. Reduction of the adult illiteracy rate (the appropriate age group to be determined in each country) to, say, one half its 1990 level by the year 2000, with sufficient emphasis on female literacy to significantly reduce the current disparity between male and female illiteracy rates".

45. A minimum goal for enrolment rates in 2000, under the terms of the Strategy and the Declaration of the Conference, would be 100 per cent enrolment of primary-school-age children. The progress achieved up to 1996, the latest year for which data are available, suggests that this minimum goal will not be reached in many countries (see table 8). The gross primary enrolment ratio has risen slightly since 1990 in sub-Saharan Africa, but remains below the rate reached in 1980. In the least developed countries, it rose from 65 per cent in 1990 to 70 per cent in 1996. There has also been progress in South Asia in the 1990s. The underachievement is even greater, since gross enrolment typically includes a substantial number of pupils older than a country's official primary-school-age range, so that the gross rate can exceed 100 per cent (as in much of Latin America and the Caribbean and in Eastern Asia and Oceania). The net enrolment ratio, i.e., the enrolment rate of children in the official age range, is typically 10 to 20 percentage points lower than the gross rate (see table 9).

46. A more ambitious goal for "universal access" would be 100 per cent enrolment at both the primary and the secondary levels, perhaps measured by a country's combined primary and secondary gross enrolment rates.[26] Of 161 countries with data available for 1990-1995, 32 countries, mostly in Africa, had a combined gross enrolment ratio of less than 50 per cent. One third (54 countries) had a combined ratio of 90 per cent or more, and another 35 per cent had a combined ratio of 70 to 80 per cent.[27]

47. With regard to completion of primary education by at least 80 per cent of the school-age group, over 150 million children in developing countries who start school do not reach grade 5 before they drop out. It is estimated that only 59 per cent of the children who started school in South Asia and 67 per cent in sub-Saharan Africa reached grade 5 during 1990-1995. In Latin America and the Caribbean, 74 per cent reached grade 5, as did 90 per cent in East Asia and the Pacific and 91 per cent in the Middle East and North

Africa. In the least developed countries, only 58 per cent reached grade 5.[28]

48. In view of the latest secondary school enrolment rates, it appears that many developing countries will not meet the goal of completion of primary education by at least 80 per cent of the school-age group, although progress has been made in all regions in the 1990s. In particular, sub-Saharan Africa and the least developed countries are far behind while in Eastern Asia and the Pacific, the gross secondary enrolment rate increased from 48 per cent in 1990 to 65 per cent in 1996, there were subsequent setbacks because of the financial crisis of 1997-1998. It has been estimated that, in Thailand, nearly 100,000 children are not pursuing primary or secondary education because of the crisis; in South Korea, there have been small declines in primary and middle school enrolment and a 36 per cent increase in drop-outs at the higher level in 1998.[29]

49. Half of the developing countries continued to have substantially higher primary school enrolment ratios for boys than girls in 1995. The difference in the primary school enrolment rates fell from 14 percentage points in 1990 to 12 in 1996 in the developing countries as a whole (table 8); the difference in the secondary school enrolment rates fell from 12 points to 10 (see table 10). The primary school enrolment rate for boys is estimated to have been 23 percentage points higher than the rate for girls in southern Asia in 1996, 15 points higher in the Arab States, 14 points higher in sub-Saharan Africa, and 18 points higher in the least developed countries.[30]

50. The Strategy noted that a target of reducing adult illiteracy by at least one half during the decade has already been set by the international community (para. 88). It is estimated that the adult illiteracy rate in the developing countries fell from 29.6 per cent in 1990 to 25.6 per cent in 1997 (see table 11). If the goal is to reduce the rate by at least one half, the implied target would be 14.8 per cent in 2000. If the goal is to reduce by half the absolute number of adult illiterates (about 885 million in 1990)[31], the corresponding rate should be below 14.8 per cent.

51. All developing regions have reduced adult illiteracy, but none seems likely to reach the target for the decade. Moreover, adult illiteracy remains very high in some regions, and has declined more slowly in the 1990s than in the 1980s. Female adult illiteracy is consistently greater than for males, but in some regions it has been decreasing faster than for males. It was over 62 per cent for females in South Asia and the least developed countries in 1997, versus 36 and 41 per cent, respectively, for males. Female illiteracy rates were higher than for males by at least 20 percentage points in almost two thirds of the countries in Africa in 1995 and in about one third of the developing countries in Asia and Oceania. The difference is much smaller (14 per cent for females versus 12 per cent for males) in Latin America and the Caribbean; four fifths of the countries in Latin America and the Caribbean had gaps of less than five percentage points.[32]

2. Health

52. The Strategy stated that special attention needs to be given to primary health care and the prevention of chronic diseases, as well as to general development objectives such as sanitation, safe drinking water and nutrition. Policies and measures in the field of health need to give special attention to women and children. Several targets for the decade have already been agreed upon by the international community. These include the reduction of under-five mortality rates (U5MR) by one third or 70 per 1,000 live births (whichever saves more lives);[33] the reduction of malnutrition among children under five by one half; and the halving of maternal mortality rates (the Strategy, para. 90).

(a) Mortality of children under the age of five

53. Data on U5MR are not yet available for all countries for the 1990s.[34] However, in 1990-1995, about 11 million children died annually before reaching the age of five. The vast majority of those deaths (98 per cent) occurred in developing countries, with the least developed countries accounting for a third of the total. The U5MR was eight times higher in the developing countries than in the developed countries, and 14 times higher in the least developed countries (see table 12).

54. Countries whose most recent estimate of U5MR was 150 deaths per 1,000, or higher, will have difficulty reaching the goals stipulated for 2,000 even if each country sustains from 1995 onward a rate of decline equivalent to the highest recorded by a member of the group during the previous decade or so. The group includes mostly least developed countries and has a heavy concentration in Western and Eastern Africa. In Asia, countries in this group are mostly in South Asia; in Latin America and the Caribbean, only Haiti had such a high U5MR.

55. Improvements in child survival over the past 20 years have been impressive in many developing countries, including some of the most populous in the world, such as China, India and Mexico, where the average annual rates of decline have exceeded 4 per cent per year. Several countries or areas, including Chile, Jamaica, the Republic of Korea

and Sri Lanka have sustained rates of decline above 7 per cent per year.

56. According to UNICEF, there has been continuing improvement (in the U5MR) in all regions, albeit at a decelerating pace in the 1990s compared with earlier decades and at a rate which is insufficient to achieve the end-decade goal. Major factors contributing to the slowdown are: (a) insufficient commitment and resources for the provision of essential services to disadvantaged communities to reduce ... acute respiratory infections, diarrhoea, measles, malaria and malnutrition; and (b) increased poverty and debt and the reduction in official development assistance. The HIV/AIDS pandemic is undermining progress towards the end-decade goals. In 1997, the estimated proportion of deaths of children under five years of age owing to HIV/AIDS was 4 per cent globally and 10 per cent in sub-Saharan Africa.[35]

57. Based on currently available data, very few countries are on track to achieve the goal in sub-Saharan Africa and South Asia.[36] The situation is somewhat better in the other regions,[37] but only one third of countries are on track in East Asia and the Pacific, Latin America, Central and Eastern Europe, Commonwealth of Independent States and the Baltic States. About one half of the countries in the Middle East and North Africa and over two thirds of the industrialized countries are on track to achieve a one-third reduction in U5MR.[38] Between 1990 and 1997, the U5MR in sub-Saharan Africa declined by less than 1 per cent per year. It would have to decline by 9 per cent per year, or a total of 29 per cent between 1997 and 2000, to reach the implied goal of 120 per 1,000 live births (versus 180 in 1990). In South Asia, the rate of reduction would have to accelerate from 2 to 7 per cent.[39]

(b) Maternal mortality

58. The Strategy cited "the halving of maternal mortality rates" as a target for the decade already agreed upon by the international community.[40] WHO and UNICEF have estimated that there were approximately 585,000 maternal deaths in 1990 (of which 99 per cent occurred in less developed countries). Disparities across countries were extremely wide. The risk of a woman dying from pregnancy-related causes was 1 in 50 in the developing countries as a whole, and 1 in 10 in many countries of Africa.[41] Only one fifth of all countries had a maternal mortality ratio of less than 30 per 100,000 births in 1990 (mainly developed and transition countries and a few developing countries in Asia and Oceania). The ratio was above 100 in all African countries; in almost half the least developed countries, it was higher than 1,000.[42]

59. Because reliable maternal mortality data are not available for many countries, it is now widely recognized that, in the short term, for countries without complete vital registration systems, the maternal mortality ratio cannot be used to monitor trends in maternal mortality reduction, and that process indicators will have to be used to measure progress. One of the process indicators is the proportion of births attended by skilled health personnel. A preliminary analysis of available data by WHO suggest that for developing countries, the rates have increased from 53 per cent in 1990 to 58 per cent in 1997.[43]

(c) Nutrition

60. The Strategy noted the reduction of malnutrition among children under the age of five by one half as a target for the decade already agreed upon by the international community.[44] Despite some reduction of child malnutrition at the global level, the rate of improvement has been slow. The proportion of malnourished children fell from 31 per cent in 1990 to 29 per cent in 1995 (A/AC.253/9/Add.8, annex, p. 2). The 1990 figure gives an implied goal for the year 2000 of about 15 per cent. But, the rate of decline in child malnutrition observed so far has not been fast enough to achieve that target.

61. About one third of children under five years of age in the developing countries were estimated to be malnourished during 1990-1996, based on the indicator of low weight-for-age. The United Nations Children's Fund estimates that malnutrition contributes to more than half of the nearly 12 million under-five deaths in developing countries each year.[45] Malnutrition remains particularly acute in Asia and Oceania and in the least developed countries. In at least 40 per cent of the countries belonging to those groupings, 30 per cent or more of the children were underweight during 1990-1996. In Africa, 23 per cent of the countries had an underweight prevalence over 30 per cent.[46]

62. With the slow growth of world food production (see para. 42 above), the number of undernourished people in the world remained roughly unchanged in the first half of the 1990s (see table 13). Within this total, the number decreased in all regions except Latin America and the Caribbean, where it remained roughly constant, and in East and South East Asia, where it fell by some 30 million people. The proportion of the population that was undernourished remained constant or decreased in all developing regions, except the Near East and North Africa in this period. However, in sub-Saharan Africa, about half the countries

experienced increases in the proportion undernourished between 1990-1992 and 1994-1996, and in many countries with fast-growing populations, even a lower proportion translated into higher absolute numbers.[47]

(d) Safe drinking water and sanitation

63. The Strategy stated that special attention needed to be given to primary health care and the prevention of chronic diseases, as well as to sanitation, safe drinking water and nutrition (para. 90).[48]

64. The number of people with access to safe water increased from 2.5 billion in 1990 to 3.3 billion in 1997. From 1990 to the latest year with data available, the share of the population with access to safe water increased from 45 to 58 per cent in Africa, from 61 to 73 per cent in East Asia and the Pacific and from 79 to 84 per cent in West Asia, but has stagnated at 78 per cent in Latin America and the Caribbean.[49] In South Asia, the share increased from 77 per cent in 1988-1993 to 80 per cent in 1991-1997; in the least developed countries, it increased from 49 to 54 per cent.[50]

65. Access to sanitation is, in general, more limited than access to safe water and the underlying data for many countries are unreliable.[51] In 42 of 75 developing countries for which information is available for 1990-1994, less than 50 per cent of the population had access to sanitation. By region, the population covered has increased from 36 to 52 per cent in Africa, from 30 to 35 per cent in East Asia and the Pacific, from 65 to 68 per cent in West Asia and from 69 to 71 per cent in Latin America and the Caribbean.[52] In South Asia, the share increased from 29 per cent in 1988-1993 to 33 per cent in 1990-1997.[53]

66. According to UNICEF, all regions have a considerable way to go before achieving universal safe water coverage. The Middle East and North Africa, South Asia and Latin America and the Caribbean are the furthest advanced, with around 80 per cent coverage. The lowest coverage — about 50 per cent — is in sub-Saharan Africa. In sanitation, the highest coverage is in the Middle East and North Africa and Latin America and the Caribbean, where about two thirds of each of the populations are covered. This is double the figures for South Asia and East Asia and the Pacific, which report coverage of less than one third of their populations. On average, rural coverage is lower than urban coverage for both water and sanitation, although coverage of the urban poor is also low.[54]

F. Situation of the least developed countries

67. The Strategy (para. 99) pointed out that the least developed countries had been the hardest hit by the difficulties that arose in the 1980s on the world economic scene, and called for a special effort to deal with the problems of those countries.

68. Prior to the adoption of the Strategy, the Programme of Action adopted by the Second United Nations Conference on the Least Developed Countries in Paris in September 1990 specified, among other things, development assistance targets, increased access for the exports of the least developed, possible enhanced compensatory financing for export shortfalls, as well as the provision of bilateral concessional debt forgiveness for these countries (see the Strategy, para. 100).

69. The least developed countries' annual average rate of growth of real output was 2.1 per cent per annum between 1990 and 1998, largely owing to relatively good performance in 1995-1997 when the rate was above 4 per cent. However, in contradiction to the goals and objectives for least developed countries articulated in the Strategy, their per capita GDP declined 0.4 per cent annually between 1991 and 1998.

70. The least developed countries have made only limited progress in social development since the decade of the 1980s. Average life expectancy at birth increased only from 49 to 50 years between the second half of the 1980s and the first half of the 1990s.[55] The primary and secondary school enrolment ratios increased only from 65 to 70 and from about 15 to 19 per cent, respectively, between 1980 and 1996.[56] On the other hand, between 1980 and 1995, the percentage of the population in least developed countries with access to safe water and adequate sanitation respectively grew from 51 to 78 and from 44 to 66 per cent in urban areas and from 24 to 48 and 12 to 28 per cent in rural areas.[57] While progress is being made, it tends to be slow compared to other developing countries.

71. Inflows of foreign direct investment in 1995-1996 amounted to only about one per cent of the least developed countries' GDP and accounted for only one and a half per cent of the inflows to all developing countries.[58] Low income levels, small market size, poor international competitiveness and inadequate physical infrastructure make it difficult for these countries to attract foreign direct investment and other forms of private capital.[59] Other problems in this regard include their generally underdeveloped financial sectors and capital markets, as well

as the widespread perception that they are high-risk locales.[60]

72. Because many of the world's poorest countries are confronted by unsustainable debt levels, the Heavily Indebted Poor Countries (HIPC) Debt Initiative was approved in September 1996. It followed a series of more limited debt reduction schemes which had been implemented in the early 1990s and aims to achieve a more comprehensive solution to the problem. The World Bank, the International Monetary Fund (IMF) and several other international financial institutions joined creditor Governments in this scheme, which was designed to reduce the debt owed by 41 developing countries to what might be considered "manageable" or "sustainable" levels.[61]

73. However, two and a half years after its inception, only three countries (Bolivia, Guyana and Uganda) are thus far receiving full benefits. Four countries (Burkina Faso, Côte d'Ivoire, Mali and Mozambique) are expected to qualify within the next year. That leaves 34 countries unassisted. Estimates suggest that, even for these seven countries, debt service post-HIPC is not, or would not be, much lower than before, in part because the most heavily indebted countries have not been fully serving their debt obligations.

74. There is thus now a conviction emerging that the HIPC initiative needs to be revamped. Critics focus on a number of issues. First, that the process takes too long (up to six years). Second, that debt sustainability criteria are too severe. Third, that there is too much emphasis on adherence to IMF-supported reform programmes. Fourth, there is anxiety that human development needs are not being met under HIPC debt-reduction schemes and that a mechanism needs to be established to ensure that reduced debt is channelled into poverty reduction and social programmes.

75. One consequence of current concerns was a call at the joint IMF-World Bank meeting held in Washington, D.C. in April 1999 to review the HIPC programme over the coming months. A wide range of proposals are currently under discussion. The aim was to reach a consensus position at the G-7[62] Summit which was held in Cologne, Germany, in June 1999 which was then to be presented at the IMF-World Bank meetings the following autumn. The Cologne Debt Initiative supported faster, deeper and broader debt relief for the poor countries that demonstrate a commitment to reform and poverty alleviation.[63] At this point, it is recognized that substantial additional financing will be required. One of the few concrete proposals for supplementary financing is to sell some of the gold reserves of IMF, using the return on the invested proceeds to pay off IMF-owed debt. Also under consideration is an expanded HIPC trust fund.

76. Although there is a consensus that changes have to be made, there is some disagreement about the amounts needed.[64] One proposal in this regard is termed "Debt 2000: The Mauritius Mandate", and recommends that all eligible poor countries should at least have embarked on the HIPC process by the year 2000 and that firm decisions should have been taken by then on the amounts and terms of debt relief for at least three quarters of those countries.[65]

IV. Conclusions and looking to the next millennium

77. Economic growth has not accelerated in all developing countries, as called for in paragraph 14 of the Strategy, but there have been some improvements, from a social as well as an economic perspective, in the course of the 1990s, compared to a decade or more ago. At the same time, however, there have been major setbacks, especially as a result of the recent financial crises. There is also a greater danger than before that the weaker members of the world community will be marginalized.

78. The achievements of the Decade thus have been mixed, especially as regards the six interrelated goals which are at the forefront of the Strategy (see para. 7 above). The surge in the pace of economic growth in developing countries called for in the Strategy was not uniformly achieved and was dramatically interrupted post-1997. At the same time, despite improvements in many social areas, the development process of the 1990s has not been fully responsive to social needs, as prescribed in the Strategy. While the Uruguay Round has led to improvements in the global trading system, the same cannot be said for the international financial system. There has not been stability in the world economy, nor a decisive strengthening of international development cooperation. Although special efforts are now being made to deal with the problems of the least developed countries, there has been negligible economic and social advance in these countries in the 1990s.

79. On the cusp of the millennium, recent experience shows that new realities have to be accommodated and policy prescriptions modified accordingly. A primary requirement for the international community is to ensure stability in the world economy (via financial regulation, adequate aid, trade liberalization, debt relief and other such measures). At the national level, there is a need to be globally competitive, but it is also becoming evident that the

requirements of such enhanced competitiveness may have some negative and unacceptable social implications. It is increasingly recognized that development means more than growth: growth is a necessary, but not sufficient condition for development. However, neither development nor growth are necessarily synonymous with poverty alleviation, one of the principle objectives of the Strategy (set out in its para. 15), and one of the present overriding international development goals.

80. Development itself is an intricate concept. It involves not just increased purchasing power, as reflected in growing GDP per capita, but also pertains to education, health and environmental standards, as well as to social — including gender — equity. For that reason, the spotlight is now shifting from a focus on macroeconomic challenges to a number of institutional preconditions, including good governance, transparency and accountability, decentralization and participation and social security.

81. At the end of the 1990s, the world economy faces the challenges of poverty alleviation and sustainability. The United Nations global conferences and related agreements (such as the Agenda for Development) have focused on various aspects of the development process intended to confront these challenges and have been complemented by established follow-up mechanisms. Thanks to these undertakings, the perception of what constitutes an acceptable and viable development strategy has been tempered to the circumstances prevailing at the beginning of the new millennium.

Table 1
Growth of gross domestic product, 1981-1999
(Annual percentage increase/(decrease))

					Share of population, 1998	
	1981-1990	*1991-1997*	*1998*	*1999[a]*	*No. of countries*	*Percentage*
World	2.7	2.4	1.9	2.0	144	100.0
Developed countries	2.9	2.0	2.0	1.7	24	14.4
Economies in transition	1.5	(3.9)	0.2	(0.5)	25	7.1
Developing countries	2.4	5.0	1.7	2.5	95	78.5
Latin America and the Caribbean	1.0	3.5	2.4	0.0	24	8.5
Africa	1.9	1.7	2.5	3.0	38	12.8
Eastern and Southern Asia,	7.2	7.6	1.2	4.7	18	53.2
excluding China	6.6	6.2	(1.9)	3.7	17	31.9
China	9.1	11.2	7.8	7.5	1	21.2
Western Asia	(2.2)	2.5	1.3	0.5	15	4.0
Memo item:						
Least developed countries	2.1	2.0	2.8	3.1	40	10.3
Sub-Saharan Africa	1.7	1.5	3.1	3.7	31	7.5

Source: *World Economic and Social Survey 1999*, table A.1 (United Nations publication, Sales No. E.99.II.C.1).

[a] Projection.

Table 2
Developing countries' growth of per capita gross domestic product, 1981-1999
(Annual percentage increase/(decrease))

					Share of population, 1998	
	1981-1990	*1991-1997*	*1998*	*1999[a]*	*No. of countries*	*Percentage*
All developing countries	0.3	3.2	0.0	0.9	95	100.0
Africa	(0.9)	(1.0)	(0.1)	0.3	38	16.3
Latin America and the Caribbean	(0.9)	1.9	0.9	(1.6)	24	10.8
Western Asia	(5.7)	0.0	(1.0)	(1.8)	15	5.1
Eastern and Southern Asia						
Including China	5.3	6.0	(0.2)	3.3	18	67.7
Excluding China	4.3	4.4	(3.5)	1.6	17	40.7
Memo item:						
Least developed countries	(0.5)	(0.6)	0.3	0.5	40	13.2
Sub-Saharan Africa[b]	(1.2)	(1.4)	0.4	1.0	31	9.6

Source: Department of Economic and Social Affairs/Development Policy Analysis Division.

[b] Excluding Nigeria and South Africa.

Table 3
Net long-term resource flows to developing countries, 1980, 1990, 1995-1998
(Billions of United States dollars)

	1980	*1990*	*1995*	*1996*	*1997*	*1998*
Net long-term resource flows	82.8	100.8	254.9	308.1	338.1	275.0
Official flows	32.5	56.9	53.4	32.2	39.1	47.9
Private flows	50.2	43.9	201.5	275.9	299.0	227.1
From international capital markets	41.1	19.4	96.1	149.5	135.5	72.1
Foreign direct investment	9.1	24.5	15.4	126.4	163.4	155.0

Source: World Bank, *Global Development Finance 1999*, table 2.1 for 1990-1998. *World Debt Tables 1990-1991* for 1980.

Table 4
Developing country debt indicators, 1980, 1990, 1997 and 1998
(Percentages)

	1980	*1990*	*1997*	*1998*[a]
All developing countries				
Debt/exports	85.3	155.8	129.0	146.2
Debt/GNP	21.0	33.5	34.9	37.3
Debt service/exports	13.1	17.4	17.0	17.6
Sub-Saharan Africa				
Debt/exports	66.4	209.8	201.7	232.1
Debt/GNP	24.1	64.7	68.0	68.3
Debt service/exports	7.3	12.9	12.8	14.9
Memo items:				
Low-income countries				
Debt/exports	113.5	343.1	243.3	273.0
Debt/GNP	24.7	60.0	47.6	47.9
Debt service/exports	10.3	22.0	16.9	17.8

Source: World Bank, *Global Development Finance 1999*, summary tables.

[a] Preliminary data.

Table 5

Total Development Assistance Committee net official development assistance 1990, 1995, 1997 and 1998

(Billions of current United States dollars)

	1990	*1995*	*1997*	*1998*
Total Development Assistance Committee net official development assistance	54.1	58.9	48.3	51.5
Percentage of GNP (total Development Assistance Committee)	.35	.27	.22	.23

Source: Organisation for Economic Cooperation and Development, Development Assistance Committee, *Development Cooperation: 1998 Report*, table 4 for 1995-1998. *1991 Report*, table 25 for 1990.

Table 6
Trade within selected developing country trade groupings, 1990 and 1997
(Percentage share of region's total trade)

Group	*1990*	*1997*
East Asia		
ASEAN	21.4	25.9
Western Hemisphere		
ALADI	10.6	17.2
Andean Group	7.7	11.9
CACM	15.3	13.0
MERCOSUR	17.0	22.3
NAFTA	37.6	42.4
Africa		
COMESA	6.2	8.3
ECOWAS	7.8	9.7
SADC	3.1	11.4
UEMOA	12.7	11.0

Source: World Bank, *World Development Indicators 1999*, table 6.5

Aladi (Latin America Integration Association): Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela.

Andean Group: Bolivia, Colombia, Ecuador, Peru and Venezuela.

ASEAN (Association of South-east Asian Nations): Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand.

CACM (Central American Common Market): Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

COMESA (Common Market for Eastern and Southern Africa): Angola, Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

ECOWAS (Economic Community of West African States): Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

MERCOSUR (Southern Cone Common Market): Argentina, Brazil, Paraguay and Uruguay.

NAFTA (North American Free Trade Association): Canada, Mexico and the United States of America.

SADC (Southern African Development Community): Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

UEOMA (West African Economic and Monetary Union): Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo.

Table 7
Growth of population and food production, 1981-1990 and 1991-1998
(Annual average rates)

	Population		*Food production*	
	1981-1990	*1991-1998*	*1981-1990*	*1991-1998*
World	1.8	1.4	2.40	1.67
Developed countries	0.6	0.5	1.14	(0.02)
Developing countries	2.1	1.7	3.61	2.91
Africa	2.9	2.7	2.94	1.82
Africa, south of Sahara	3.0	2.9	2.43	1.72
Asia	1.9	1.5	4.20	3.26
Latin America and the Caribbean	2.0	1.7	3.61	2.91
Memo item:				
Least developed countries	2.6	2.5	1.52	1.64

Source: United Nations, *World Population Prospects*, The 1998 revision, vol. I. Food production: Food and Agriculture Organization of the United Nations Web site, http://apps.fao.org.

Table 8
Primary school gross enrolment ratio,[a] 1980, 1990, 1995 and 1996
(Percentage)

Region	*1980*	*1990*	*1995*	*1996*
World				
– Male	103.2	104.6	104.7	105.4
– Female	88.0	92.6	94.1	95.0
Developed countries				
– Male	101.1	101.0	102.3	102.8
– Female	100.6	100.4	101.6	103.2
Developing countries				
– Male	103.5	105.2	105.1	105.8
– Female	85.5	91.3	92.9	93.8
Sub-Saharan Africa				
– Male	87.4	79.5	81.1	81.3
– Female	68.9	65.9	67.3	67.2
Arab States				
– Male	89.5	89.5	91.9	91.7
– Female	67.0	72.0	76.3	76.4
Latin America and the Caribbean				
– Male	106.2	106.9	114.1	115.8
– Female	103.3	104.5	108.9	110.2
Eastern Asia and Oceania				
– Male	117.5	122.0	114.9	116.0
– Female	103.1	114.5	112.1	114.1
Southern Asia				
– Male	90.4	102.4	105.5	106.1
– Female	60.0	76.8	82.2	83.0
Memo item:				
Least developed countries				
– Male	77.1	72.2	77.6	79.1
– Female	54.3	57.3	60.4	61.4

Source: UNESCO: *1998 Statistical Yearbook*, table 2.10.

[a] Total enrolment as percentage of primary-school-age population. Includes students who are older or younger than a country's official age range for primary school, including over-age repeaters and children who started school later than the official entry age.

Table 9
Net primary school enrolment rates in developing countries, by region, 1990s
(Percentage)

	Net enrolment ratio,[a] 1993-1995		*Net primary school attendance[b] 1993-1997*	
Region	*Male*	*Female*	*Male*	*Female*
Developing countries	86	81	81	75
East Asia and Pacific	98	97	94	93
Latin America and the Caribbean	87	87	89	90
Middle East and North Africa	88	77	85	76
Sub-Saharan Africa	60	51	61	57
South Asia	..[c]	..[c]	74	62
Memo item:				
Least developed countries	56	44	64	59

Source: UNICEF, *The State of the World's Children 1999*, table 4, p. 109

[a] The number of children enrolled in primary school who belong to the age group that officially corresponds to primary schooling, divided by the total population of the same age group.

[b] Percentage of children in the age group that officially corresponds to primary schooling who attend primary school. These data come from national household surveys. While both the attendance and enrolment data should report on children going to primary school, the number of children of primary school age is uncertain for many countries, and this can lead to significant biases in the enrolment ratio.

[c] Sufficient data not available.

Table 10
Secondary school gross enrolment ratio,[a] 1980, 1990, 1995 and 1996
(Percentage)

Region	*1980*	*1990*	*1995*	*1996*
World				
– Male	51.6	56.4	62.1	62.6
– Female	41.0	47.0	54.1	55.0
Developed countries				
– Male	89.3	92.7	97.8	98.8
– Female	89.8	94.7	100.2	101.8
Developing countries				
– Male	41.8	48.2	54.4	55.1
– Female	28.2	36.1	44.0	45.3
Sub-Saharan Africa				
– Male	21.8	24.7	27.5	27.9
– Female	12.5	18.6	21.9	22.4
Arab States				
– Male	47.0	58.6	59.4	60.0
– Female	29.5	44.6	49.5	51.2
Latin America and the Caribbean				
– Male	44.3	49.1	54.1	54.5
– Female	44.9	53.4	59.4	60.0
Eastern Asia and Oceania				
– Male	50.3	52.7	64.9	67.4
– Female	37.0	42.8	59.1	61.7
Southern Asia				
– Male	36.3	49.4	53.8	53.4
– Female	18.2	29.9	35.1	36.0
Memo item:				
Least developed countries				
– Male	20.5	22.1	22.7	23.0
– Female	8.8	12.9	14.0	14.5

Source: UNESCO; *1998 Statistical Yearbook*, table 2.10.

[a] Total enrolment as percentage of secondary-school-age population. This Includes students who are older or younger than a country's official age range for secondary school.

Table 11
Adult illiteracy rate, 1980, 1990, 1995 and 1997
(Illiterate adults as percentage of the total population aged 15 and over)

Region	*1980*	*1990*	*1995*	*1997*	*Target 2000[a]*
Developing countries					
Total	37.3	29.6	26.7	25.6	14.8
Female	47.0	37.8	34.4	33.1	18.9
Latin America and the Caribbean					
Total	20.3	15.0	13.4	12.7	7.5
Female	22.5	16.3	14.5	13.8	8.1
East Asia and the Pacific					
Total	31.2	20.2	16.9	15.6	10.1
Female	43.0	28.6	24.4	22.7	14.3
Middle East and North Africa					
Total	56.9	45.4	39.9	37.8	22.7
Female	71.2	58.7	52.0	49.4	29.3
South Asia					
Total	61.1	53.9	50.4	48.9	26.9
Female	76.0	68.4	64.5	62.8	34.2
Sub-Saharan Africa					
Total	61.1	49.8	44.0	41.7	24.9
Female	71.4	59.1	52.3	49.6	29.5
Memo item:					
Least developed countries					
Total	65.8	57.9	53.5	51.8	28.9
Female	77.4	68.8	64.1	62.2	34.4

Source: World Bank, *1999 World Development Indicators*.

[a] One half of the 1990 rate.

Table 12
Mortality of children under the age of five, 1990-2000
(Deaths per 1,000 births)

Region[a]	*1990-1995*	*1995-2000*[a]	*"Target" for 2000*[b]
World	87	80	58
More developed regions,	12	11	8
(of which) Eastern Europe	22	22	15
Less developed regions	96	87	64
Africa	151	140	70
Northern Africa	88	70	58
South-Central Asia	108	96	70
Latin America and the Caribbean	49	44	33
Memo item:			
Least developed countries	171	156	70

Source: United Nations, *World Population Prospects*, The 1998 Revision, vol. I, 1999, table A-28, for columns 1 and 2, United Nations Department of Economic and Social Affairs/Development Policy Analysis Division for column 3.

[a] Forecast/Projection.

[b] The lesser of two thirds of the 1990-1995 regional figure and 70. If the calculations were based on individual country figures, the target for Africa as a whole would be a little less than 70, reflecting the relatively low mortality rates in most of Northern Africa and Southern Africa and a few small countries in Eastern and Western Africa. The target for South-Central Asia also would be a little less than 70, as most countries in the region had a U5MR below 105 in 1990-1995. However, if precise data for the year 1990 were available, some of the 1990 regional figures probably would be a little higher than the average estimates shown for 1990-1995, thus making the 2000 target figures a little higher.

Table 13
Number and proportion of undernourished persons in developing countries, by region, 1990-1992 and 1994-1996

	Number of undernourished persons (millions)		*Percentage of population (millions of persons)*	
Region	*1990-1992*	*1994-1996*	*1990-1992*	*1994-1996*
Sub-Saharan Africa	196	210	40	39
Near East and North Africa	34	42	11	12
East and South-East Asia	289	258	17	15
South Asia	237	254	21	21
Latin America and the Caribbean	64	63	15	13
All developing countries	822	828	20	19

Source: FAO, 1998, *The State of Food & Agriculture, 1998*, table 1.

Notes

[1] The World Conference on Education for All (1990), the World Summit for Children (1990) and the International Conference on Primary Health Care (1978).

[2] United Nations Conference on Environment and Development, World Conference on Human Rights, International Conference on Population and Development, World Summit for Social Development, Fourth World Conference on Women, Second United Nations Conference on Human Settlements and the World Food Summit.

[3] United Nations Development Programme, *Human Development Report 1999*.

[4] See World Bank News Release No. 99/2214/S.

[5] World Bank, *Global Development Finance 1999*, p. 48.

[6] In 1998, these 10 countries were (in order of magnitude of inflows): China, Brazil, Mexico, Argentina, Poland, Chile, Malaysia, Venezuela, Russian Federation and Thailand (World Bank, ibid, p. 51).

[7] World Bank, *Global Development Finance 1999*, pp. 188-200.

[8] United Nations Conference on Trade and Development (UNCTAD), TAD/INF/2803, 27 April 1999.

[9] See *World Economic and Social Survey, 1999* (United Nations Sales publication, Sales No. E.99.II.C.1), table A.26.

[10] Debt initiatives geared to low-income countries are discussed in section on the least developed countries.

[11] About half the 1997 decline can be explained by the depreciation of most industrialized countries' currencies vis-à-vis the dollar. However, even correcting for this, as well as the reclassification of Israel as a developed economy, there has still been a net drop in aid flows.

[12] Organisation for Economic Cooperation and Development (OECD), Development Assistance Committee, *Development Cooperation: 1998 Report*, table 4.

[13] Also called for were the liberalization of trade in tropical and natural resource-based products, the bringing of trade in textiles under the General Agreement on Tariffs and Trade (GATT) rubric and progressive and substantial reduction of support and protection of trade in agriculture. See, the Strategy, paras. 46-48.

[14] General Agreement on Tariffs and Trade, as cited in Organisation for Economic Cooperation and Development, *Trade and Competition: Frictions After the Uruguay Round*, International Trade and Investment Division, Economics Department Working Papers, No. 165, 1996.

[15] These were, in ranked order, Hong Kong, Taiwan Province of China, Republic of Korea, China, Singapore, Saudi Arabia, Mexico and Brazil. See, General Agreement on Tariffs and Trade, *International Trade 1990-1991*.

[16] The additions were, Malaysia, Thailand, Indonesia, India, South Africa, Argentina, and the Philippines. See, World Trade Organization, *Annual Report 1998*, Revised Table I.6.

[17] World Economic and Social Survey, 1998, (United Nations publication, Sales No. E.98.II.C.1), table A.13.

[18] See World Economic and Social Survey 1999, ... chap. I.

[19] International Monetary Fund, *World Economic Outlook*, October 1998, p. 36. World merchandise trade figure in 1997 of 5,223.7 billion dollars, cited in World Trade Organization, *Annual Report 1998*, table I.5, World Economic and Social Survey 1999, ... chap. I.

[20] See Jeffrey A. Frankel (October 1997), *Regional Trading Blocs in the World Economic System*, Institute for International Economics, Washington, D.C., p. 21.

[21] See *World Economic and Social Survey 1999*, ... table A.17.

While oil prices recovered in the first half of 1999 as compared to the 1998 levels, prices of primary commodities, excluding oil, declined further 10 per cent during December 1998-May 1999. See *Monthly Bulletin of Statistics* August 1999 (United Nations publication, ST/ESA/STAT/SER.Q/320), table 49.

[22] See *Washington Trade Daily*, 28 May 1999.

[23] For a detailed discussion and preliminary assessment of the Uruguay Round of Multilateral Trade Negotiations, see *World Economic and Social Survey 1994*, chap. III.

[24] Data from World Bank, *1999 World Development Indicators*, table 4.1.

[25] Neither the Strategy nor the World Declaration on Education for All explicitly defined "universal access" and "basic education", but the latter described "basic learning needs" in article 1 and "universalizing access" in article 3.

[26] Ideally, one would like to know the combined net enrolment rates, but combining the *gross* rates is a reasonable approach, as the enrolment in primary school of some children older than the official age range would be offset by a correspondingly lower (net and gross) secondary school enrolment rate.

[27] United Nations/Department of Economic and Social Affairs Population Division, "Charting the Progress of Population", 1998, ESA/P/WP.149, p. 45-46.

[28] See United Nations Children's Fund (UNICEF), *The State of the World's Children 1999*, p. 8, and table 4, p. 109.

[29] United Nations Development Programme, *Human Development Report 1999*, p. 40.

[30] United Nations Educational, Scientific and Cultural Organization (UNESCO), *1998 Statistical Yearbook*, table 2.10.

[31] UNESCO, *Compendium of statistics on illiteracy, 1995 edition*, table 3, p. 39.

[32] ESA/P/WP.149, p. 56.

[33] The target set at the 1990 World Summit for Children was a reduction of one third or to 70 per 1,000 live births, whichever was less. A U5MR goal for 2000 was explicitly included in the 1994 International Conference on Population and Development Programme of Action (para. 8.16), the 1995 World Summit for Social Development programme of Action (para. 36 (c)) and the Fourth World Conference on Women Platform for Action (para. 106 (1)), as well as the

Programme of Action for the World Summit for Children (appendix I (a)) and the Ninth General Programme of Work of the World Health Organization (WHO) (1996 to 2001). See United Nations, Department of Economic and Social Affairs/Population Division, "Charting the progress of Populations", 1998 (ESA/P/WP.149), p. 35.

[34] United Nations, Department of Economic and Social Affairs/Population Division, "World Population Monitoring", 1998, (ESA/P/WP.142), tables A.3.B, A.4.B, and A.5.B, pp. 191-197.

[35] A/AC.253/9/Add.8, annex, p. 1 — UNICEF, 28 April 1999.

[36] These two regions accounted in 1990 for about two thirds of the world total deaths of children under five years of age; they had about one third of the world's total population and about 43 per cent of the world's children under five years old.

[37] A/AC.253/9/Add.8, annex, p. 1.

[38] UNICEF, Progress report on follow-up to the World Summit for Children (E/ICEF/1998/8), para. 15.

[39] UNICEF, *The State of the World's Children 1999*, table 8.

[40] The international community had agreed on this goal at the Nairobi Safe Motherhood Conference in 1987 and the World Summit for Children in 1990.

[41] E/CN.5/1999/4, annex, p. 44.

[42] ESA/P/WP.149, table V.1, p. 30.

[43] Progress report on follow-up to the World Summit for Children, E/ICEF/1999/9 (5 April 1999), para. 26.

[44] The Strategy, para. 90. The World Summit for Social Development Programme of Action (1995) called for "by the year 2000, a reduction of severe and moderate malnutrition among children under five years of age by half of the 1990 level" (para. 36 f). The latter goal was previously included in the Declaration adopted at the World Summit for Children (1990) and subsequently included in the World Declaration and Plan of Action for Nutrition adopted at the International Conference on Nutrition (Rome, 1992).

[45] ESA/P/WP.149, pp. 23, 25.

[46] ESA/P/WP.149, p. 24.

[47] Food and Agriculture Organization of the United Nations Web site, www.fao.org/NEWS/FACTFILE.

[48] The goal in the World Summit for Social Development is "Providing on a sustainable basis, access to safe drinking water in sufficient quantities, and proper sanitation for all" (para. 361). The Global Strategy of Health for All by the Year 2000 (WHO, 1981) set a target of 100 per cent by 2000; the ninth General Programme of Work of WHO for 1996-2001 includes a target of 85 per cent by 2001 (ESA/P/WP.149, p. 59).

[49] E/ICEF/1998/8/para. 26.

[50] UNICEF, *The State of the World's Children, 1995*, table 10, p. 84, and op. cit., 1999, table 3, p. 105.

[51] Therefore, in 1999, UNICEF reported to its Executive Board and to the Economic and Social Council on the current situation and on gaps in relation to universal access, rather than on changes since 1990 (E/ICEF/1999/9, para. 44).

[52] E/ICEF/1998/8, para. 26.

[53] UNICEF, *The State of the World's Children, 1995*, table 10, p. 84, and ibid., 1999, table 3.

[54] E/ICEF/1999/9, para. 45.

[55] UNCTAD, *The Least Developed Countries, 1998 Report* (United Nations publication, Sales No. E.98.II.D.11), p. 180. For all developing countries the comparable figures are 61 and 62 years.

[56] Ibid., p. 183.

[57] Ibid., p. 182.

[58] Ibid., table 10.

[59] Because of the obstacles which least developed countries face in attracting private capital from abroad, international financial agencies are involved in a variety of activities designed to expedite the flow of private funds to those economies. For example, investment insurance is provided by the Multilateral Investment Guarantee Agency, as well as by national investment insurance agencies (of which the Overseas Private Investment Corporation in the United States is the largest) and the international private insurance market (for example, Lloyds of London). The Multilateral Investment Guarantee Agency, set up in 1988, covers three forms of political risk, namely, war and civil disturbance, expropriation and currency transfers. Guarantees are currently limited to 50 million dollars per project and 175 million dollars per country. For further details, see Ibid., chap. 2.

[60] For further discussion of these issues, see UNCTAD, *The Least Developed Countries, 1998*, chap. 2.

[61] Based on the present value of debt to exports and to GNP ratios noted above.

[62] The Group of Seven leading industrial countries: Canada, France, Germany, Italy, Japan, United Kingdom of Great Britain and Northern Ireland and United States of America.

[63] *International Monetary Fund Survey*, vol. 28, No. 13, 5 July 1999, p. 214.

[64] For details, see *The Economist*, 12 June 1999, pp. 17-18.

[65] This initiative was proposed by the United Kingdom's Chancellor of the Exchequer at the Commonwealth Finance Ministers' meeting in September 1997. For further details, see UNCTAD, 1998, op. cit., chap. 1.